

A \$30 billion boost to Canadian competitiveness from personalized ads



Personalized advertising is already securing \$30 billion in additional revenue for Canadian businesses

This amounts to an increase in GDP in Canada of up to \$14 billion – and nearly 100,000 jobs that are supported directly by the revenue gained from personalized advertising

Annual gain from personalized advertising

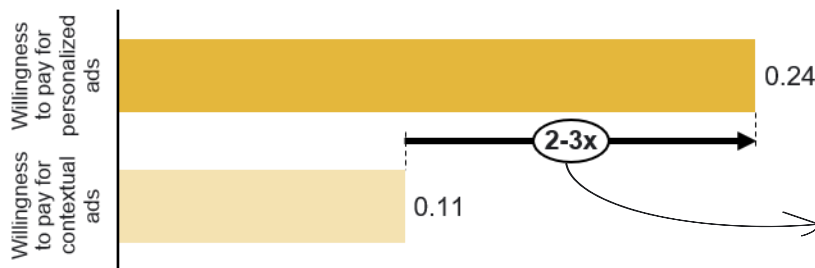


Personalized ads are up to three times more efficient than contextual ads

Using advanced estimation techniques and data from online auctions, researchers have studied the efficiency of all types of online ads. Personalized advertising is consistently far more efficient, on a like-for-like basis, than the best alternative (contextual advertising).

Advertisers' show a much higher willingness to pay for personalized ads

CPM/CAD



Higher willingness to pay reflects...

that advertisers must expect a higher **return** when investing in personalized advertising compared to contextual advertising.

This corresponds to an efficiency difference of 50-65%.

Personalized ads benefit advertisers, publishers and consumers, who prefer the current model for personalized advertising, if their data is used responsibly

Advertisers

In Canada, personalized advertising empowers SMBs and startups in particular, as it allows them an affordable and efficient advertising venue.

Publishers

Personalized ads provide a critical revenue stream for Canadian publishers, who capture around 70-75% of digital display ad spend.

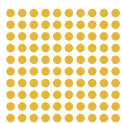
Consumers

Personalized ads help fund online content, and ads provide valuable information, aiding purchasing decisions.



67%

of the revenue gain flows towards SMBs, supporting up to 86,000 jobs.



\$3 billion

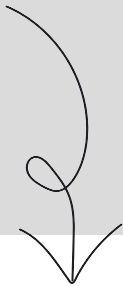
in additional publisher revenue is generated by personalized advertising.



73%

of Canadian consumers prefer digital ads relevant to their interest over generic, unfocused ads.

With continued growth and use of generative AI and agentic AI, the efficiency gain is projected to increase to \$60 billion by 2030



Generative AI will improve efficiency in the advertising market

Generative AI streamlines ad production, making it *faster, easier, and more cost-effective*. It enables quick creation of graphics and text, enhancing responsiveness to market trends and *improving ad quality*. Using real-time data, it *customizes ads to individual behaviors and preferences*.



Cost-effective advertising



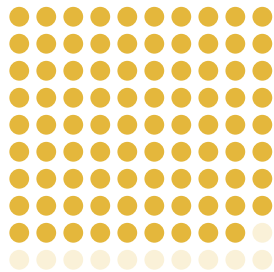
Speed and quality



Customization at scale

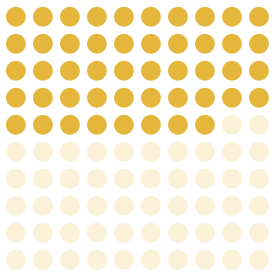
Generative AI and agentic AI is revolutionizing advertising

A survey of more than 1,200 marketers reveals that around 89% have implemented or plan to implement AI in 2024 and 48% identify agentic AI as an important future capability in advertising.



89%

of IAB Canada members implemented or planned to implement AI in 2024.



48%

of marketers identify agentic AI as an important future capability in advertising.

With continued growth and use of generative as well as agentic AI, the efficiency gain is projected to increase to \$60 billion by 2030

The digital advertising market in Canada is anticipated to grow at an annual rate of 8% until 2030. Enhanced adoption of AI tools could elevate ads-driven revenue from \$30 billion to \$60 billion.

In 2030

